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September 18, 2006

Mary L. Cottrell, Secretary
Department of Telecommunications and Energy
One South Station, 2nd Floor
Boston, Massachusetts 02110

Re: Southern Union Company, D.T.E. 06-71

Dear Ms. Cottrell:

Enclosed herewith is the response of Southern Union Company (the "Company") to Information Request DTE-2-9 of the Department of Telecommunications and Energy (the "Department") in the above-referenced proceeding.

Thank you for your attention to this matter. Please do not hesitate to contact me if I can provide you with any additional information concerning this matter.

Sincerely,



Cheryl M. Kimball

Enclosure

cc: Caroline M. Bulger, Hearing Officer
Paul Osborne, Rates and Revenue Requirements Division
Glenn Shippee, Rates & Revenue Requirements Division

Information Request DTE-2-9

Please explain whether there is a restriction period under any of the incentive stock plans between the date the employee takes possession of the Company's stock and the date the employee is allowed to sell such stocks.

Response

For stock option grants made under the Company's Incentive Plan, the general practice is that the awards would vest in equal percentages over a four (4) year vesting period. The first vesting is traditionally one year after the grant date. In certain limited circumstances, the Company has made option grants that have vested immediately although this is not a common practice. In regard to restricted shares, a restriction period before the shares can be exercised is required. The Company's general practice is for restrictions on restricted stock grants to expire equally over four (4) years. In certain limited circumstances, the Company has made restricted stock grants with restrictions that expire in shorter time periods.